APPENDIX A — DEBTOR'S THIRD PLAN OF REORGANIZATION

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

Case No. BK-S-91-01026-RCJ
Chapter 11

DATE: November 23,1993
TIME: 11:00 am.

In Re

DARREL D. SMITH,

Debtor.

DEBTOR'S THIRD PLAN OF REORGANIZATION

* * *

MEANS OF FUNDING AND IMPLEMENTING THE PLAN

The Debtor has two means upon which to fund his Plan of Reorganization, litigation and making and selling prints of the painting *Daybreak*, which he owns.

Debtor filed a complaint in District Court for Clark County, Nevada against Edward M. Doumani and his family on August 24, 1990. That Complaint will declare the rights of Smith and the Doumani family and whether his now ex-wife Mitzi's purported "transfer" to Edward M. Doumani ("Doumani") of her interest in the Tropicana Hotel & Casino in 1984 was valid. Trial is scheduled to commence on or about October 25, 1993.

Appendix A

The first manner for funding the Plan is the obtaining of a judgment in state court and litigation and collection of claims against Edward M. Doumani, Deil O. Gustafson ("Gustafson"), Lindquist & Vennum and John S. Jagiela in litigation pending in this court. Debtor believes that these claims are conservatively worth at least $9,000,000 to him alone, based upon funds improperly received by Doumani and Gustafson in proceeds of litigation involving Hotel Conquistador, Inc. and Ramada Resorts, Inc. ("Ramada").

The second manner in which Debtor can fund the Plan is by making reproductions and prints of Maxfield Parrish's painting *Daybreak*, which he owns, with all profits after payment of production costs and Debtor's living expenses to fund the Plan. No projection concerning the costs or profit to the estate is possible at this time, but Debtor will undertake all reasonable efforts to publish and market reproductions of the painting.

* * *

CONDITIONS

(d) *Continuing Jurisdiction*. After confirmation the court shall continue to retain exclusive jurisdiction over these proceedings until the provisions of the Plan have been fully performed for the following purposes:

(1) for determining the amount of any claims of security interest made by John O. Chatt;

(2) for determining the terms upon which the Debtor may further borrow from John O. Chatt;

(3) for resolving disputes relating to claims which have been filed but are disputed;

(4) for receiving and determining applications related to the Plan;

(5) for determining the dischargeability of certain debts of any creditors having standing who make timely application after confirmation;

(6) supervising the enforcement of the Plan; and

(7) for such other purposes as the court shall determine.

(e) *Additional Provisions Consented to by Debtor.* In addition to the foregoing, Debtor consents to the following provisions and consents to their inclusion in any order of the court, including the order confirmation:

* * *

(2) that if the Debtor defaults in any terms of the Plan, the court upon hearing after notice to Debtor, the creditors and such other persons as the court may direct, may enter an order either adjudging the Debtor bankrupt or directing the bankruptcy be proceeded with pursuant to the provisions of the Bankruptcy Code, as amended, or dismissing the proceedings, whichever in the opinion of the court may be in the best interest of creditors, and the amounts of all claims shall be reinstated in their allowed amount, crediting only payments received thereon.

Appendix A

* * *

DATED this 20 day of October, 1993.

JOHN PETER LEE, LTD.

By: (signed)
NANCY L. ALLF
Nevada Bar No. 000128
830 Las Vegas Boulevard South
Las Vegas, Nevada 89101

(signed)
Darrel D. Smith